

MINUTES

COUNCIL ON RECYCLING
MAY 22, 2006
SCHLITZ AUDUBON CENTER
1111 E. BROWN DEER ROAD
MILWAUKEE, WISCONSIN

Council Members Present: Jeff Fielkow; John Piotrowski; John Reindl; William Swift; Cecelia Stencil; Charlotte Zieve

Council Members Absent: Neil Peters-Michaud.

Also attending: Glen Anderson, Pressure Sensitive Tape Council; David Bloch, Avery Dennison; Jeff Calaway, Belmark; Scott Coulthurst, Mondi Packaging; David Dominguez, Time Med Labeling Systems; Tony Driessen, American Chemistry Council; Brian Duffy, Green Bay Packaging; Mary Durkin, State Bureau of Procurement; Michael Finko, Relizor; Joe Van Rossum, SHWEC; Cal Frost, Channeled Resources; Lori Gobris, Thilmany; Fred Gustafson, 3M; Jay Jagodinski, Green Bay Packaging; Dave Kluesner, International Paper; Tony McCloud, TLMI; Scott Manley, WMC; Tim McDonough, Flex Graphics; Scott Pillsbury, TLMI; Steve Pistro, Intertape; Michael Pohlman, Department of Administration; Roy Schneider, Mondi Packaging; Alan Shepard, BASF; Sheila Widule, Wausau Paper; Bob Zaccone, Graphic Solutions; Danette Zimla, Banta.

Call To Order: The meeting was called to order by Chair John Reindl at 9:05 AM.

Introductions and Announcements:

Minutes: Approval of the Minutes of March 3, 2006. John Piotrowski moved, Bill Swift seconded. Minutes approved without amendment.

Election of Officers: Charlotte Zieve moved re-election of current officers. Cecelia Stencil seconded. John Reindl, Chair, Jeff Fielkow, Vice-Chair, Bill Swift, Secretary. Motion carried.

Reports

DNR: Dan Fields, DNR, said that the budget was progressing through the agency. The agency held six listening sessions about possible enhancements to the recycling program. There will also be questions in the Recycling News that people can respond to by e-mail.

Paper: John Piotrowski gave background on the issue of paper recycling and stickies. The Council has been looking at the recycling of several materials, including paper. Piotrowski contacted several manufacturers and users of labels to discuss the issue. From the standpoint of recyclers, a world without stickies would be a good one. However, he recognized that others had different views. Piotrowski invited several groups to attend, as well as employees of the Wisconsin Department of Administration (DOA) Procurement Office. The fact that there are over twenty people in attendance to discuss this issue shows its importance.

Piotrowski said that the federal government was under a presidential order to address this issue. The first stage of the 4-part order said that the US Postal Service (USPS) would begin using the Environmentally Benign Adhesives (EBA's). The federal government would follow and then state government and the private sector. The USPS is using EBA but there is no discernable progress on the other three stages.

Scott Pillsbury, Tag and Label Manufacturer's Institute (TLMI), said TLMI is made up of 300+ printers and suppliers, thirty-two in Wisconsin. They are here for information on where the Council is going. There are literally thousands of applications for pressure sensitive adhesives (PSA's). Reindl asked about the information on EBA's on the TLMI web site. Pillsbury replied that the information is in place but not evolving as a standard. It is a technical specification but not a

certification. It has not been widely adopted. He has never had a customer ask for an EBA. He's not sure about the cost or actual use of the product. Frank (?), TLMI, said these were not TLMI standards. They are on the web site for informational purposes only. Fred Gustafson, 3M, said he was the chair of the TLMI subcommittee on EBA's. The origin of the specifications was the USPS program on adhesives. USPS has a standard for postage stamps. The subcommittee adapted the standard for materials other than stamps. They used the USPS specification and put it onto the TLMI site. There is no way to claim your product is an EBA without a test method. The goal was to get an infrastructure for possible implementation of these adhesives. Reindl asked if any company advertised EBA's. No one knew of any company advertising itself as EBA compliant. Mike Dowling (?) said he has not found any company marketing EBA's. Pillsbury said that the trade association has a responsibility to respond to this issue on behalf of their members. Piotrowski asked what test method was used. The test method consists of pulping, screening and flotation. When done to <10ppm you get to 99.9% adhesive removal.

Reindl said that paper recyclers had given presentations to various groups and one recently said that the three biggest problems in paper recycling are stickies, stickies and stickies. Paper is the largest component in the municipal waste stream and the biggest recycling money maker for municipalities. It is also the largest component of municipal landfills. More could be done if we could take care of the stickies issue. Reindl said it seemed to him that a standard alone was not enough. Some progress needed to be made on this issue. Zieve said that industry must take a lead. They should recognize the problem and step in front of this issue. They can avoid legislation if they tackle this issue. The recycling paper plants are not getting enough fiber. Pillsbury said that the trade association and individual companies have been proactive. They promote recycling and engage in many environmental activities. Stamp and mailing labels are a very small part of the whole industry. There is a vast array of materials that need labels such as aerosol cans and plastic bottles where the label needs to stay on for a long period of time. There are many different applications with many different requirements.

Jeff Fielkow said the Council was tasked with creating solutions for the state of Wisconsin involving recycling. The goal is to improve recycling and have materials continue on to their highest and best use. The specific question in front of the Council is how PSA's affect paper recycling. The Council is not really interested in other products. The issue is to move the material as PSA's become more prevalent. The Council is looking for your recommendations on solving the stickies problem for paper mills. Resolving the issue will move more fiber, yield more material with less down time, command a better price and open more markets. Cal Frost suggested that the Council form a task force to look at this issue. This is a complex issue. Much of this is driven by demand. To change label stock will require demand from consumers.

Tony Driessen said the Council on Recycling was looking for DOA to create a market by setting standards. Frost said the industry was not ready. Reindl said he was concerned about labels that are applied to paper. He wants a label that says it is an EBA. What can we do to move to that situation? Michael Pohlman said that standards and specifications are different. There is no governing body to say that you must do this or that to be certified as an EBA. The problem for a purchasing agent is that the product may not be available. Zieve asked if this was a chicken and egg issue. Gustafson said that companies have this available but have not been able to market that to the industry. The market must exist first, then the companies will respond. Pillsbury said there needs to be a critical mass to get the market going. EBA's are not widely used or commercially available. There will be a cost premium to start but it will come down as the demand increases. There will be no one answer to this situation. Gustafson said that there will be a conversion cost for companies to switch processes. Another cost will be the testing for different types of conditions (low temperature, high temperature, etc.) to make sure that customers will be able to use it in a variety of applications. The premium will decrease over time.

Piotrowski read the Council's draft resolution on PSA's. The resolution stated (in part):

That the Council on Recycling recommends that all users of pressure sensitive adhesives and products with pressure sensitive adhesives purchase and use only those products that are compatible with the recycling of paper

That the Council recommends that the state of Wisconsin incorporate a requirement into state and local purchasing standards for the use of paper recycling compatible pressure sensitive adhesives.

Pohlman said that the consumer must ask for it first. However, if the material is not available it puts the procurement staff in a bad position. He would like to see the resolution phased in so it drives the market. If you keep asking for it you will eventually get a response.

In response to a question about how this was being handled in Europe, Reindl said that this is a major problem in Europe as well. He said that he wanted to find solution to this problem. The federal government is not moving on this issue so we have to. Piotrowski said that his company would need to spend \$6-8 million to upgrade to deal with stickies. That would be their whole capital budget and they are not willing to do that so they will just live with the day to day costs. Zieve said we need to make progress on this. How can we put this together to get more recycling done?

Scott Manley said WMC represents 4,000 companies in Wisconsin. Many would be affected by any action taken on this issue. First of all, this must be consumer driven. They must ask to have this market need addressed. It will not be addressed over night but will be addressed. Second, any action that leads to artificially increased costs will not be helpful. If you are going to state a preference in purchasing, check to see if there are Wisconsin companies that can compete. That is a legitimate question for state government. WMC has an obligation to balance interests. WMC wants to help the paper industry. If that means more recycled paper, that's a great outcome. WMC also represents companies that make stickies. We need to look at issues with cost/benefit in view. Would an executive order help Piotrowski with his problem? If not, we shouldn't have an executive order. This is a small part of the stream. Think about the scope of the problem. This has the ability to adversely impact Wisconsin businesses.

Swift asked about education. Can the companies educate the general public in some way? Give the public a choice of which products they want to buy? Reindl asked if WMC could help. Manley said EBA's were not widely available. WMC believes in market based solutions to problems. There needs to be a widespread market or they will not be successful. He is not convinced that government can create a market. The Chinese are one of the largest markets and they will do what they want no matter what we do. Reindl asked if WMC could do anything to lead their members to this product. Can they help to break out of the chicken/egg problem? Manley said WMC can play a role in education. The companies that make PSA's are going to have to have a good economic reason to change. WMC can educate but he's not sure how to convince companies to invest in the R&D to make changes. The state and local government market is not enough to force a change. WMC would love to see less stickies in the market. Gustafson said that Wisconsin is the battleground on this issue. This is the first group since the USPS to ask for this product. If people ask for it, the marketplace will supply it. There are six or seven suppliers that have an EBA. They are qualified for stamps so they are qualified for labels. There will be a premium for changeover. That's normal. The Executive Order only applies to the federal government. All others are optional. It is supposed to be for any paper to paper. The federal government has not started to comply with the executive order. If the market is there, companies can supply the product.

Pohlman said that there has to be a need or desire from the agencies before he will send out for a bid. He can include it in the specifications. He will buy what his customers want. He wants flexibility because the product may not be available or not available at a competitive price. Durkin said that low cost items like labels get ordered by 3,000 end users. DOA would work through the suppliers to get the message out. Fielkow asked the paper mill representatives for their opinion. Laurie Gobris said Thilmany had no position at this time. Sheila Widule said that Wausau paper had no position but did have a concern about putting Wisconsin companies at a competitive disadvantage. Fielkow suggested a letter to the governor and to the Governor's Task Force on Waste Materials Recovery and Disposal and ask them to set up a task force to develop a solution that works. The members should at least include representatives from paper mills, private sector, public sector, printers, users of product and generators. The end goal would be to increase recycling in Wisconsin and to remove barriers that don't allow us to optimize recovery and recycling rates. Manley said he could facilitate membership on that task force. He said it makes sense to get stakeholders together and figure it out. That's a good approach. Reindl said the Council can set up a task force on its own. Piotrowski said he would be willing to chair the committee. There are many players. Getting everyone to the table is a great thing to do. There is a great opportunity to go forward. We can set a timeline and get started. Reindl said it's been ten

years since this issue first surfaced with the Council. Now is the time to get past the chicken/egg issue. Piotrowski asked for volunteers to join the task force to talk to him. Pillsbury agreed that this is the right course. There was a short break to form the task force.

Fielkow said that this is an economic problem, not an environmental one. His company is involved in working with mills to take certain types of material, such as paper with stickies. The material going to a landfill is an economic problem. Reindl said it was also an environmental issue because the material would go to a landfill instead of being reused. Reindl said that his feeling is that the companies will respond to the market and they will produce EBA's if the consumers demand it.

Electronics: Zieve said that Sen. Miller's e-waste bill died when the session ended. She said that virtually every publication she picks up has an article on e-waste. The best of all worlds would be national legislation with individual companies taking their e-waste back. We need more education, especially for businesses.

Fielkow said electronic recycling was growing. Awareness is increasing and they are expanding operations. There are two models. One is an end of life fee for disposal and physical destruction of the e-waste. No reclaiming or refurbishing. The other model refurbishes and disassembles and has data security as a top priority. There is a need for both models. Some situations allow for pick up but mostly it is a hub and spoke method at this time. That is evolving.

Fields said that five Midwest states, IA, IL, MI, MN and WI, will soon sign a letter of support for a regional e-waste recycling model. That approach is similar to the state of Minnesota's and Sen. Miller's. Minnesota will institute a ban on landfilling CRT's after July 1, 2006. Implementing legislation must pass before that date (editor's note: Minnesota did not pass implementing legislation. The ban will be in effect on July 1, 2006 but there are no requirements to set up a system before that date). The Northeast Recycling Coalition (NERC) is a ten-state working group that has proposed similar legislation. The approach does not have a legislative sponsor at this time. Fielkow suggested that the Council write a letter to the Task Force supporting this approach. Fielkow said he would write a resolution for later discussion.

Mercury in Products: Reindl presented proposed recommendations for mercury containing products. The Council has been dealing with this issue for years. The main issue is how to cut back on the release of mercury to the environment from products. Products release 2 ½ times as much mercury as power plants do in Wisconsin. Thermostats, dental amalgam, thermometers and others were on the list. Some products, such as mercury switches in cars, are no longer being sold. Some have industry funded collection and recycling programs set up, such as thermostats. Wisconsin is ranked in the top three states in thermostat collection. Under DNR rules, many of Wisconsin's wastewater treatment plants that handle over one million gallons of waste per day are expected to set up programs for dental offices and other large sources of mercury. The wastewater plants are required to either bring their emission to a certain level or set up a pollution prevention program. Mercury from thermometers is declining because mercury fever thermometers are virtually gone from the marketplace. Dental amalgam is going to be taken care of by the wastewater treatment plants and there is a program for auto switches, so the Council doesn't need to focus on those sources. However, there are still a large number of fluorescent lamps and there is considerable mercury from thermometers.

The recommendations are for the Council to concentrate on fluorescent lamps and thermostats. The recommendations support the current programs for dental amalgam and collection of automobile switches and ban the discard of mercury containing products into landfills in Wisconsin. Swift asked if education for consumers would help. Reindl said that the recommendations include a provision for take back and that information about disposal be included at the time of sale. Reindl said that was a teachable moment. Swift suggested a sticker or some sort of other education.

Piotrowski asked about the risk factor. He asked if we need to look at leachate to determine risk to environment. Reindl said the state had developed mercury flow models for [products that showed the distribution of mercury to the air, water and land. With fluorescent tubes, for example, some mercury escapes when a tube is broken, some when it is dumped and the rest goes into the landfill. They are finding significant emissions from landfills as part of air

emissions. The flow model follows all pathways. The model looks at how much is going to the land, how much to the water and how much to the air. There are 3,000 kilograms being released through products in Wisconsin. Power plants emit 1,200 kilograms. More than 2 ½ times as much mercury from products as from power plants.

Fielkow suggested that we remove the ban on HID automotive headlights. They have safety aspects that should be considered. They should have the same requirements as fluorescent lamps. Fluorescent lamps are taken back and have a cost. We should not state that there would be no charge for fluorescent lamps. Reindl said that HID lights were a relatively new product. Some of these lamps will be broken in accidents. One automobile maker is looking into making this product without mercury.

Reindl said that some states no longer allow individuals to landfill any hazardous material that is illegal to dispose of by a company. Reindl said that originally it was thought that it was too difficult to get the individual items from consumers. However, there are programs for these materials and it makes sense to treat them all the same. The recommendations would require wholesalers and retailers to collect products containing mercury. There are already many programs to do this.

Zieve worried about the tracking aspect of the recommendations. Durkin said that the state model contracts call for contractors to take back their products if they have mercury in them but it's up to the end users to include that in the actual contract. Pohlman said the state is heading toward green building and environmentally safe building processes. Fielkow asked that the 'no charge' provision be dropped. He said there were too many costs to the retailer to force them to absorb that cost. He also asked for the HID provision be dropped or modified to be a take back program. He suggested that Reindl look for a legislative sponsor for these ideas. Reindl said he would send this to the blue ribbon task force, interested legislators and the agencies.

Fielkow moved and Zieve seconded the recommendations as modified. Reindl said he would rewrite the recommendations and contact everyone by e-mail to make sure it is correct. The motion passed. The recommendations will go out to the governor, relevant legislators and selected agency secretaries.

Annual Report: Fields asked for any last comments. Fielkow asked, on page 6, to replace Fielkow with Reindl as chair of the mercury workgroup. There were some address changes. Piotrowski moved and Stencil seconded. The motion passed.

Public Comment: None

Other Business

The next Council meeting is scheduled for July 25, 2006, with a tentative location of Sheboygan, with a tour of Kohler a possibility.

Adjournment: Zieve moved and Swift seconded. The Council adjourned at 12:05 PM.

Respectfully submitted by Daniel B. Fields, Department of Natural Resources.